



PRESS RELEASE

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IRS – Criminal Investigation

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New Jersey Pipe Supply Company Owner Sentenced to 32 Months in Prison for Role in Fraud and Bribery Conspiracy in Power Generation Industry

Company Sentenced to Pay a Total of Over \$1.7 Million in Fines and Restitution

A New Jersey industrial pipe supply company and its owner were sentenced today for conspiring to commit fraud and pay bribes to a purchasing manager at Consolidated Edison of New York in return for the manager's efforts to steer contracts to the company, the Department of Justice announced.

Andrew Martingano, of Staten Island, New York, was sentenced by U.S. District Judge Deborah A. Batts of the Southern District of New York to 32 months and a day in prison. American Pipe Bending and Fabrication Co. Inc. of Edison, New Jersey, was sentenced to pay a \$150,000 criminal fine. Martingano and American Pipe were also sentenced to pay over \$1.6 million in restitution, jointly and severally with their co-conspirators, to the victim, Con Ed. The company and its owner pleaded guilty to committing wire fraud and conspiring to defraud Con Ed on Aug. 15, 2012.

According to court documents, Martingano and others agreed to pay approximately \$510,000 in cash bribes to James M. Woodason, a department manager of the purchasing department at Con Ed. In exchange for the bribes, Woodason steered Con Ed industrial pipe supply contracts to American Pipe by secretly providing Martingano with confidential competitor bid information, thereby causing Con Ed to pay higher, non-competitive prices for materials. At the time of Woodason's arrest in August 2010, Woodason had already received approximately \$45,000 in cash bribes from Martingano and American Pipe.

The department said the conspiracy took place from approximately January 2009 to August 2010. In addition, Martingano and American Pipe defrauded Con Ed by requesting a 14 percent price increase and basing that request on a fake email purporting to document a "Steel Mill" price increase that American Pipe was passing on to Con Ed. These false and fraudulent price increase requests caused actual losses to Con Ed in the amount of approximately \$1.4 million and intended losses of approximately \$9.4 million.

Con Ed is a regulated utility headquartered in Manhattan. It provides electric service to approximately 3.2 million customers, and gas service to approximately 1.1 million customers in New York City and Westchester County, New York. Con Ed received more than \$10,000 in federal funding each year between 2003 through 2010, and cooperated with the department's investigation.

Including Martingano and American Pipe, a total of five individuals and two companies have been charged as part of this investigation and have been ordered to serve a total of more than 16 years in prison and to pay criminal fines and restitution of more than \$3 million.

The charges arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud and tax-related offenses in the power generation industry. The investigation is being conducted by the Antitrust Division's New York Office, with assistance from the FBI and the Internal Revenue Service-Criminal Investigation. Anyone with information concerning bid rigging, bribery, tax offenses or fraud in the power generation industry should contact the FBI's New York Division at 212-384-3720 or the Antitrust Division's New York Office at 212-335-8000, or visit www.justice.gov/atr/contact/newcase.htm.

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